Finance [010-2510] [650-5750]

Appropriations Summary

| 3 | 04/05 Actuals | 05/06 Actuals | 06/07 Current Budget | 06/07 Estimated Year-End | 07/08 Proposed Budget |
|---------------------|------------------|------------------|----------------------------|--------------------------------|-----------------------------|
| Salaries | 999,203 | 1,057,371 | 1,167,121 | 1,109,457 | 1,182,693 |
| Supplies & Services | 184,223 | 207,234 | 230,631 | 209,697 | 229,456 |
| Capital Outlay | - | 4,656 | - | - | - |
| Debt Services | 292 | - | - | - | - |
| Internal Service | 104,907 | 102,096 | 127,125 | 127,125 | 151,023 |
| Transfers Out | - | - | - | - | - |
| Project Expenditure | - | - | - | - | - |
| TOTAL BY CATEGORY | 1,288,624 | 1,371,357 | 1,524,877 | 1,446,279 | 1,563,172 |

| 010 | 2510 FINANCE | 895,496 | 942,628 | 997,219 | 984,948 | 1,076,139 |
|-----|----------------------|-----------|-----------|-----------|-----------|-----------|
| 650 | 5750 UTILITY BILLING | 393,129 | 428,729 | 527,658 | 461,331 | 487,033 |
| | TOTAL BY PROGRAM | 1,288,624 | 1,371,357 | 1,524,877 | 1,446,279 | 1,563,172 |

Finance Department

Finance Division

Finance & Accounting Operations Budget Management Risk Management Utility Billing Division
Utility Billing

Finance [010-2510]

ACTIVITY DESCRIPTION

The Finance Department maintains the financial records of the City and prepares financial and statistical data applicable to all funds of the City and Redevelopment Agency (RDA).

Responsibilities include cash management; investment; budgeting; financial forecasting; accounting; cashiering operations; business license administration; debt service management; payroll; purchasing; payables; receivables (including billing and collection of City accounts); providing financial system information and support to other departments; and risk management.

The Finance Department works closely with the City Treasurer to assure timely and appropriate investment of City funds, in compliance with the City's Investment Policy; to implement efficient cash management procedures to minimize idle cash holdings; to maintain banking relationships for City business; and to address financial issues related to the concerns of the Finance Policy Committee.

2006/07 Highlights

- The City received awards from the Government Finance Officers Association (GFOA) and the California Society of Municipal Finance Officers (CSMFO) for achieving the highest standards in governmental accounting and financial reporting for our FY 2005/06 Comprehensive Annual Financial Report
- The City received the GFOA and CSMFO awards for excellence in budgeting for our FY 2006/07 budget
- Hired a consultant that produced a Sewer and Water Rate and Connection Fee Study that is to be discussed and considered by the City Council
- Determined that the City does not face a significant GASB Statement 45 "Other Post Employment Benefits" liability and that the City should therefore hold off hiring an actuary until fiscal year 2008/09
- Implemented "positive pay" procedures with the City's bank to prevent fraudulent changes to checks that the City writes
 - Implemented an alternative process for the deposit of checks, received from the City's customers, that will save staff time and will speed up the deposit of checks into the City's bank account
- Issued \$5 million in lease revenue bonds to partially finance the construction of the new Library and the construction of the Development Services Center within the old library building
- Developed a comprehensive schedule and financing mechanism for replacing major building components and for funding these replacements
- Working with YMCA staff, developed and implemented cash handling and purchasing procedures for the Centennial Recreation Center

Finance [010-2510]

2007/08 Work plan

- Develop five year revenue, expenditure, and fund balance projections for all funds
- Update development impact fees and development processing fees by hiring and working with a consultant to produce recommendations to ensure full cost recovery
- Evaluate feasibility of upgrading Budget and Payroll financial software and implement these improvements, if advisable.
- Issue significant dollar Redevelopment Agency tax increment bonds, currently estimated at over \$13 million for FY 2007/08, to finance major capital projects

FY 2007/08 ACTIVITY GOALS

 Work with all departments to improve the performance measurement program contents and process

FINANCIAL COMMENTS

Staff will be exploring with the Financial Policy Committee, the benefits and risks associated with 1) issuing pension obligation bonds to refinance the City's unfunded actuarial pension liability; and 2) contracting with an investment advisory firm for investment advice.

PERFORMANCE MEASURES

| Measure | | FY 04/05 | FY 05/06 | Estimated FY 06/07 | FY 07/08 |
|---------------------------------|-----------|----------|----------|--------------------|----------|
| Number of invoices processed | Goal | | 13,794 | | 12,082 |
| | Projected | | | | |
| | or Actual | 11,253 | 13,484 | 11,509 | |
| Percent of invoices paid by due | Goal | | 77.0% | 80.0% | 82.0% |
| date | Projected | | | | |
| | or Actual | 82.0% | 86.0% | 85.0% | |
| Average time (in minutes) to | Goal | | 6.79 | | 7.15 |
| process an invoice | Projected | | | | |
| | or Actual | 8.31 | 6.95 | 7.51 | |

Finance [010-2510]

| • | | | 06/07 | 06/07 | 07/08 |
|--|---------|---------|---------|------------------|------------|
| | 04/05 | 05/06 | Current | Estimated | Proposed |
| | Actuals | Actuals | Budget | Year-End | Budget |
| 41100 SALARIES - GENERAL | 515,348 | 532,972 | 569,423 | 566,707 | 640,260 |
| 41210 SALARIES - ELECTED/APPOINTED | 2,409 | 2,409 | 2,400 | 2,400 | 2,400 |
| 41270 SALARIES - PART-TIME | 42,487 | 26,765 | - | · - | - |
| 41271 SALARIES - PART-TIME TEMP | - | - | 10,400 | - | - |
| 41320 SALARIES - OTHER PAYOUT | 11,002 | 11,714 | 15,000 | 22,000 | 15,000 |
| 41490 OVERTIME - GENERAL | 7,489 | 3,294 | 4,500 | 2,200 | 4,500 |
| 41560 UNEMPLOYMENT INSURANCE | 1,044 | 2,183 | 1,860 | 1,771 | , - |
| 41620 RETIREMENT - GENERAL | 68,955 | 93,895 | 113,372 | 96,071 | 112,298 |
| 41690 DEFERRED COMPENSATION | 14,252 | 14,890 | 13,877 | 14,997 | 16,070 |
| 41700 GROUP INSURANCE | 54,638 | 60,464 | 68,278 | 68,362 | 76,604 |
| 41701 MEDICARE | 6,521 | 6,443 | 9,125 | 6,584 | 9,612 |
| 41730 INCOME PROTECTION INS | 7,172 | 7,796 | 7,719 | | 8,041 |
| 41760 WORKERS COMP | 23,667 | | 21,667 | | 11,412 |
| 41799 BENEFITS | 1,927 | 2,334 | 1,920 | 2,798 | 3,134 |
| 41900 CONTRACT LABOR | - | - | - | 18,906 | - |
| Salaries Total | 756,911 | 782,610 | | · | 899,331 |
| 42214 TELEPHONE | 5,887 | 5,947 | 6,100 | 5,900 | 6,100 |
| 42231 CONTRACT SERVICES | 28,183 | 46,306 | 37,300 | 36,250 | 37,120 |
| 42233 AUDIT FEES | 12,950 | 13,409 | 15,000 | 14,007 | 15,450 |
| 42236 BANK CARD SERVICE FEES | 224 | 1,703 | 675 | 300 | 300 |
| 42244 STATIONERY & OFFICE SUPPLIES | 17,745 | 16,638 | 20,615 | 16,350 | 18,000 |
| 42245 COMPUTER HARDWARE-NON CAPITAL | 4,200 | 9,884 | 2,000 | - | 9,200 |
| 42248 OTHER SUPPLIES | 51 | - | 2,000 | 500 | - |
| 42250 ADVERTISING | 638 | 381 | 675 | 3,200 | 675 |
| 42252 PHOTOCOPYING | 778 | 484 | 900 | 900 | 900 |
| 42254 POSTAGE & FREIGHT | 6,649 | 5,415 | 6,500 | 5,780 | 6,200 |
| 42257 PRINTING | 1,513 | 1,530 | 1,750 | 1,750 | 1,750 |
| 42261 AUTO MILEAGE | 206 | 234 | 300 | 300 | 300 |
| 42408 TRAINING & EDUCATION | 1,945 | 1,676 | 6,000 | 6,000 | 6,000 |
| 42406 TRAINING & EDUCATION 42415 CONFERENCE & MEETINGS | 740 | 2,117 | | 3,000 | 3,000 |
| | | | 3,000 | | |
| 42423 MEMBERSHIP & DUES | 295 | 675 | 750 | 750 | 750 550 |
| 42435 SUBSCRIPTION & PUBLICATIONS | 1,336 | 603 | 550 | 550 | 550 |
| 42526 MAINT - AUTO/TRUCKS | (105) | - | - | - | - |
| 42531 MAINT - FURNITURE/OFFICE EQUIP | - | - | 150 | 275 | 300 |
| Supplies Total | 83,236 | 107,003 | 102,265 | 95,812 | 106,595 |
| 44995 SERVICE FEES | 292 | - | - | - | - |
| Debt Total | 292 | - | | - | - |
| 45003 GENERAL LIABILITY INSURANCE | 2,885 | 2,973 | 2,541 | 2,541 | 2,524 |
| 45004 BUILDING MAINT - CURRENT SERVICES | 36,901 | 34,535 | 29,381 | 29,381 | 37,140 |
| 45005 BUILDING MAINT - FUTURE REPLACEME | • | | 6,012 | 6,012 | 3,425 |
| 45008 EQUIPMENT REPLACEMENT | - | - | - | | |
| 45009 INFO SYSTEM SERVICES | 15,271 | 15,506 | 17,479 | 17,479 | 27,124 |
| ISF Total | 55,057 | 53,014 | 55,413 | 55,413 | 70,213 |
| Finance Total | 895,496 | 942,628 | 997,219 | 984,948 | 1,076,139 |

Utility Billing [650-5750]

Utility Billing [650-5750]

ACTIVITY DESCRIPTION

The Utility Billing Division is responsible for the monthly billing of fees for water and sewer services. With a customer base of 11,600 active accounts, the Division continues to emphasize customer service by assisting customers with opening and closing accounts; assisting customers at the counter with payments and questions; and providing customer service on the telephone regarding account status and accepting credit card payments. Utility Billing staff also responds to general Finance inquiries and refer City customers to appropriate departments.

FY 2006/07 HIGHLIGHTS

- Revised the New Account Application and implemented appropriate procedures
- Coordinated meter change-out program with Public Works
- Implemented electronic bank deposit process for customer payments received by check
- Continued to market and expand the *Direct Pay* payment option for customers to pay utility costs electronically
- Completed audit of customer accounts for appropriate billing rates and customer classifications

FY 2007/08 ACTIVITY GOALS

- Review cash receipt process for maximum efficiency and time savings, and make recommendations for improvements
- Update account data for meter size information as provided by Public Works calibration program

FINANCIAL COMMENTS

The Utility Billing Division is the responsibility of the Finance Department and is funded by water and sewer utility user fees.

PERFORMANCE MEASURES

| Measure | | FY 04/05 | FY 05/06 | Estimated FY 06/07 | FY 07/08 |
|---|---------------------|----------|----------|--------------------|----------|
| Staff hours per year processing utility bills | Goal Projected | | 4,680 | | 4,600 |
| | or Actual | 4,680 | 4,680 | 5,000 | |
| Regular utility bills processed per year | Goal | | 140,800 | 142,000 | 145,000 |
| | Projected or Actual | 138,441 | 139,605 | 144,696 | |
| Percent of bills error free and on time | Goal | | 99.9% | 99.9% | 99.9% |
| | Projected or Actual | 99.9% | 99.9% | 95.0% | |
| Average cost to produce and process a bill | Goal | | | | \$ 3.34 |
| | Projected or Actual | \$ 2.84 | \$ 3.07 | \$ 3.19 | |

Utility Billing [650-5750]

| | 04/05 Actuals | 05/06 Actuals | 06/07 Current Budget | 06/07 Estimated Year-End | 07/08 Proposed Budget |
|---|------------------|------------------|----------------------------|--------------------------------|-----------------------------|
| 41100 SALARIES - GENERAL | 123,194 | 190,308 | 219,053 | 175,484 | 209,630 |
| 41270 SALARIES - PART-TIME | 56,215 | 14,087 | - | | |
| 41271 SALARIES - PART-TIME TEMP | - | - | 20,800 | | |
| 41320 SALARIES - OTHER PAYOUT | 2,020 | 2,664 | 2,500 | 8,558 | 3,500 |
| 41490 OVERTIME - GENERAL | 271 | 239 | 350 | 200 | 200 |
| 41560 UNEMPLOYMENT INSURANCE | 601 | 1,405 | 948 | 709 | - |
| 41620 RETIREMENT - GENERAL | 22,656 | 33,014 | 41,919 | 29,929 | 38,761 |
| 41690 DEFERRED COMPENSATION | 4,303 | 3,951 | 3,634 | 3,679 | 4,072 |
| 41700 GROUP INSURANCE | 19,627 | 17,389 | 21,745 | 18,105 | 17,079 |
| 41701 MEDICARE | 2,674 | 2,405 | 3,519 | 2,367 | 3,102 |
| 41730 INCOME PROTECTION INS | 2,567 | 2,792 | 3,144 | 2,615 | 2,670 |
| 41760 WORKERS COMP | 7,683 | 5,900 | 9,488 | 7,874 | 3,714 |
| 41799 BENEFITS | 482 | 607 | 480 | 624 | 634 |
| 41900 CONTRACT LABOR | - | - | - | 25,590 | - |
| Salaries Total | 242,292 | 274,761 | 327,580 | 275,734 | 283,362 |
| 42214 TELEPHONE | 1,821 | 1,986 | 2,200 | 1,880 | 1,880 |
| 42231 CONTRACT SERVICES | 32,499 | 30,189 | 41,650 | 37,831 | 39,600 |
| 42236 BANK CARD SERVICE FEES | 16,080 | 15,141 | 22,000 | 18,704 | 19,000 |
| 42244 STATIONERY & OFFICE SUPPLIES | 2,120 | 2,803 | 2,750 | 2,000 | 2,000 |
| 42245 COMPUTER HARDWARE-NON CAPITAL | 1,010 | 5,513 | 1,500 | 100 | 800 |
| 42248 OTHER SUPPLIES | 46 | - | - | - | - |
| 42250 ADVERTISING | 249 | - | - | - | - |
| 42252 PHOTOCOPYING | 4 | 42 | 200 | 200 | 200 |
| 42254 POSTAGE & FREIGHT | 44,710 | 42,522 | 52,466 | 49,920 | 53,981 |
| 42257 PRINTING | 1,966 | 1,720 | 2,000 | 1,500 | 2,000 |
| 42261 AUTO MILEAGE | 28 | 215 | 100 | 100 | 100 |
| 42408 TRAINING & EDUCATION | - | 100 | 3,000 | 1,500 | 3,000 |
| 42531 MAINT - FURNITURE/OFFICE EQUIP | 455 | - | 500 | 150 | 300 |
| Supplies Total | 100,988 | 100,231 | 128,366 | 113,885 | 122,861 |
| 43840 COMPUTER EQUIPMENT | - | 4,656 | - | - | - |
| Capital Total | - | 4,656 | - | - | - |
| 45003 GENERAL LIABILITY INSURANCE | 1,346 | 1,399 | 1,165 | 1,165 | 1,033 |
| 45004 BUILDING MAINT - CURRENT SERVICES | 13,835 | 12,949 | 11,015 | 11,015 | 13,925 |
| 45005 BUILDING MAINT - FUTURE REPLACEME | - | - | 2,254 | 2,254 | 1,284 |
| 45009 INFO SYSTEM SERVICES | 6,787 | 6,892 | 9,489 | 9,489 | 14,724 |
| 45010 GF ADMIN | 27,881 | 27,842 | 47,789 | 47,789 | 49,844 |
| ISF Total | 49,849 | 49,081 | 71,712 | 71,712 | 80,810 |
| Utility Billing Total | 393,129 | 428,729 | 527,658 | 461,331 | 487,033 |